

greater increases in premiums in certain circumstances. We are looking at about a 20 percent increase here in Lincoln. This is on an annual basis. Obviously, if you have a 4 percent or 6 percent or any level of budget limitation, when you have an increase of the magnitude of health insurance cost increases, you have got a problem, and if you have an increase extraordinary in one area, such as in health care, you have to then make up for that increase elsewhere with an adjustment, and it didn't seem particularly fair that health care cost increases that are happening across the state, and across the country, would have such an impact under this budget limitation proposal. I note that Senator Moore and Senator Withem follow with a further limitation on political subdivisions. Senator Schmit then would have a further limitation, as well. I would simply point out that in this particular area of health care, we have had an unbelievable skyrocketing of costs that largely is out of the control, though not completely out of the control, of the different employers and employees involved. There are some things that can be done, plan design changes, and changes in benefits, and some of those things have taken effect to cut back the cost of health care, different benefits have been reduced, and what have you. Further benefit reductions could occur to keep down cost but that is a question that has a lot of people concerned, and so rather than having them forced under a lid situation in this manner, this proposal would exempt out health insurance costs above the budget growth rates that would be established for each school district. So, for instance, if there is a 6 percent increase or an 8 percent, or whatever is allowed under the formula, then if the increase is 20 percent, then that additional 12 percent would be exempted out from the formula that they would have under their budget limitation requirements. So that is essentially it. I am trying to do two things here, is point out once again how much of an increase health care is costing us, how much of an impact it has, not only on schools, but others who are paying premiums, but also the impact of budget limitations on certain areas where it isn't really one that has much control by the district involved. So I would move for the adoption of this amendment, Mr. President.

PRESIDENT: Thank you. Senator Withem, please.

SENATOR WITHEM: Yes, Mr. President, I merely rise to give the rationale for the commission that developed the school finance plan for not including a laundry list of exemptions from the lid. There are, basically, two ways we could have gone. We